GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:7308
ANSWERED ON:13.05.2005
TEXTILE HUBS
Nayak Shri Ananta;Singh Shri Chandra Bhushan

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that India will emerge as a textile hub for the European Union and the United States of America;

(b) if so, the details thereof;

(c) whether that this sector needs more massive investment to encash the opportunities; and

(d) if so, the steps being taken by the Government to support his sector?

Answer

MINISTER OF TEXTILES(SHRI SHANKERSINH VAGHELA)

(a) to (c): Yes, Sir. According to various studies, China and India will carve out a larger share of EU and US markets in the post quota regime. India's growth in exports will be driven by value added made ups and apparel as India has comparative advantages over its competitors in relation to:
(i) availability of relatively inexpensive and skilled workforce
(ii) design expertise
(iii) large production base of basic raw materials.

According to the study commissioned by CRISIL (on behalf of Indian Cotton Mills Federation), the Indian textiles and apparel industry has a potential to double the country's share of the global textiles and clothing market, implying export earning of US$ 40 billion by 2010. In order to achieve the full potential, investment of Rs.1,40,000 crore would be required, not only to modernise existing capacities but also to create fresh capacity.

(d): Government has been taking a number of steps from time to time to support the indigenous textile industry. Some of the important initiatives taken are:

i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

ii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

iii) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

iv) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.

vi) The import of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

vii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

viii) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design,

merchandising and marketing.

ix) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

x) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.